

Villas on Sixth; Austin, Texas

The City of Austin's S.M.A.R.T. Housing Policy

Overview

The Villas on Sixth (Villas) is a mixed-income, mixed-use, 160-unit apartment complex located in the heart of East Austin, less than two miles from the state capitol. The brightly colored S.M.A.R.T. Housing Initiative development has helped revive the neighborhood's vibrant culture and provided long-term affordable homes for dozens of the city's hardworking middle-income families.

The Villas' location enables residents to live close to employment and recreational opportunities offered in central Austin. Likewise, the broader community can enjoy access to the professional, social, medical and retail services available at the Villas, including a YMCA facility. Completed in 2006, the Villas has earned praise nationwide for the inventive, yet simple, strategies and tools used to create this development.

A Growing Problem

In 1999, Austin's Community Action Network released research entitled *Through the Roof: A Report on Affordable Homes*, which documented the alarming state of the city's shortage of homes within reach of working families. According to the research, Austin's housing market faced a variety of complex affordability

challenges, including a homeownership rate lagging 20 percent behind the national average. The Austin City Council quickly responded to the *Through the Roof* findings, recognizing the critical nature of the problem.

An Innovative Policy Solution

In 2000, the Austin City Council approved the S.M.A.R.T. Housing Initiative, which stimulates the production of homes that meet the following criteria: safe, mixed-income, accessible, reasonably priced and transit-oriented (thus, the S.M.A.R.T. acronym). Additionally, new homes must meet the internationally acclaimed green building standards developed by Austin Energy, the city's utility company. Developers of projects that meet these criteria are granted expedited reviews and fee waivers that significantly cut development time and costs. The policy is hugely popular among area builders, and the number of S.M.A.R.T. Housing Initiative projects has increased every year. In the six years since the S.M.A.R.T. Housing Initiative was adopted, the city has provided incentives, expedited review and other assistance that led to the completion of 8,847 new S.M.A.R.T. homes. That figure includes 3,161 single-family units and 5,686 multi-family units. In 2007, Austin expects more than 1,750 S.M.A.R.T. Housing units to be built.



SOLUTIONS IN ACTION

The Villas: A Mixed-Income, Mixed-Use Community

In 2002, developer Campbell Hogue and Associates established a mutually beneficial partnership with the nonprofit Austin Housing Finance Corporation (AHFC) to create the Villas. While neither partner could have created the development on their own, the strategic blend of public and private efforts helped make the Villas a vibrant reality.

The Villas were constructed on an abandoned 6.4-acre tract of land, which was once home to a railroad round house. Redeveloping the vacant land helped improve the neighborhood's appearance. Equally important, it helped mitigate the negative effects of gentrification in East Austin. Also, because AHFC purchased the land, the Villas is exempt from property tax and can, therefore, remain affordable for at least 40 years.

In 2006, Gloria, a newly retired schoolteacher, wanted to move to Austin to be closer to her family. Her pension provided her with a very limited, fixed income, and she was concerned that she could not afford to live in Austin. Gloria learned about the Villas from her sister, who drove past the devel-

opment when it first opened. Gloria has been living in a two-bedroom apartment at the Villas for more than a year. She says: "I really like it. They always say in the commercials, location, location, location... I feel like I'm in the middle of everything."

Replicating this Approach

The developers of the Villas creatively combined strategies that already have been applied in many cities across the country. The public-private partnership between Campbell Hogue and Associates and AHFC was vital to the success of the project because both organizations brought unique knowledge and tools to the table. Also, their use of vacant land and the application of federal Low-Income Housing Tax Credits were key.

Austin's S.M.A.R.T. Housing Initiative is a shining example of an effective policy that alleviates the time-consuming and costly processes builders face when obtaining building permits, zoning variances and other approvals. Adopting expedited permitting and review policies can slash housing costs and provide strong incentives for builders to create more affordable homes for working families.



Homes For Working Families
1150 18th Street, NW
Suite 775
Washington, DC 20036
202.580.6220
www.homesforworkingfamilies.org